

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3484

STATE OF NEW JERSEY

DATED: JUNE 24, 2014

The Assembly Budget Committee reports favorably Assembly Bill No. 3484.

This bill imposes a one-year fifteen percent surcharge on Corporation Business Tax (CBT) liabilities. The purpose of this bill is to increase the amount of revenue generated by the CBT and made available for the State budget. The surcharge is calculated as fifteen percent of annual CBT liabilities with allocable credit restricted to payment. The surcharge is in effect for tax years ending on or after July 1, 2014 but before July 1, 2015.

FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that the bill will impact corporation business tax (CBT) collections for fiscal year 2015. The State Treasurer's May, 2014, estimate for fiscal year 2015 CBT revenues is \$2.6 billion, including both on- and off-budget sources and receipts from energy sources. A 15% surcharge on that amount would yield \$390.0 million. The OLS notes that 4% of this amount, or \$15.6 million, would have to be constitutionally dedicated for certain environmental programs pursuant to Article VIII, Section II, paragraph 6. The remaining \$374.4 million would not be dedicated and would be available as General Fund revenue.